

August 30 Meeting Minutes

Technology Council Steering Committee

Members In Attendance: Bill Johnston, Chair; Steve Bowen, John Brasch, Mark Bowen, Cliff Dale, Chuck Henderson, Jack Huck, Marc LeBaron, Lori McClurg, Jane Miller, Phil Ruhlman, Rich Sinkovic, Carol Connor, Sherrie Hanneman, Polly McMullen

Guests: Don Clifton (Gallup), Deane Finnegan (Quality of Life Task Force), Jim Krieger (Gallup), Cecil Steward (Quality of Life Task Force), Rick Wallace (Quality of Life Task Force), Phil Weber (Gallup).

Bill Johnston called the meeting to order and asked for introductions. Phil Ruhlman welcomed the group on behalf of Gallup.

STRATEGY REPORTS

Biotechnology – Chuck Henderson distributed a written report for his group and emphasized the key role which the University must play if any long-term strategy is to be successful. His group's written report analyzed strengths and weaknesses of the University as related to biotechnology, assessed the current status of biotech-related businesses in the Lincoln/Omaha corridor and offered the following ideas for further study if Lincoln is to become a biotech hub in the Midwest:

1. Develop a biotechnology park.
2. Provide financial incentives to attract tenants to this park.
3. Encourage more private sector participation in technology development.
4. Develop an Omaha-Lincoln biotech corridor through creation of a high-level commission including representatives of UNL, UNMC, Creighton University, Omaha/Lincoln hospitals and private companies such as ConAgra.
5. Encourage and facilitate creation of a central science research library on the UNL campus.
6. Study cities such as Austin and Boulder who have successfully developed the biotech industry.
7. Increase quality of life and accessibility, including viewing the Omaha airport as a strength, not competition.
8. Create a comprehensive audio, video and print marketing plan to market Lincoln once a Biotechnology Park is established.
9. Partner with LPS to develop internship and mentoring programs in biotechnology for promising students.

Chuck Henderson concluded that while Lincoln has a core industry of biotech companies, there are very few start-ups on the radar screen. This is not likely to change without a coordinated effort.

Electronics Manufacturing – John Brasch gave a verbal report of his group’s work; a draft report is being finalized and will be available next week. He first presented the group’s overall conclusions:

- Lincoln is in need of visionary community leadership at the highest levels.
- Business leadership in the electronics engineering area need to define their needs (some needs have been addressed through the NCEE facility).
- UNL Colleges of Business, Engineering and the Computer Science need to collaborate more, then involve the business community. There are currently few, if any, mechanisms in place to facilitate interactions.
- There is a need for venture capital resource firms to acquire existing firms or fund incentives for firms who wish to locate in Nebraska.
- Ongoing expansion and replenishment of our workforce is essential to this industry; 95% of current employees are from Nebraska.

John then presented 5 recommendations from his group:

1. Government, community and business leaders must come together to “revisit past paradigms” and recommit themselves to business development.
2. The NCEE Board contains CEO’s of many major firms in this industry and meets regularly to address mutual issues and concerns. This is an effective leadership group which should be strengthened.
3. Seed money is needed to facilitate consulting relationships and partnerships between university faculty and the business sector. These cooperative ventures simply will not occur without funding and skilled staff to nurture and support them.
4. Financing mechanisms must be identified – currently, if opportunities arise, there is no place for them to go. Venture capital is critically needed.
5. Education must be a top state priority at all levels of government. Since most of our employees come from Lincoln, maintaining a quality education system is critical to future success.

Metal Products - Marc LeBaron reported for his industry and the firms who participated in the discussion (Molex, Garner Industries, IMS). In general, technology is not as high on the radar screen for this industry as other issues are. Key issues identified by Marc’s group are:

- Lack of raw materials and suppliers of raw materials. Currently the needed materials must be brought in from outside our city and state.
- Transportation access is viewed as good but air freight services are not as available as desired.
- Emerging technologies and access to telecommunications services are not at a desirable level.
- Basic equipment and skilled labor force are not at the level this industry needs.

- Adequate infrastructure, especially land and building sites for manufacturing needs, is not in place.

Marc reported that access to financing is not currently a problem for his industry. His group developed 3 recommendations:

1. **Workforce development** – both skilled labor and entry-level workers are necessary for this industry to grow. Marc proposed a manufacturing technology focus high school similar to the Zoo School or IT Focus high school as one way to address this need.
2. **Industrial-zoned land** – if Lincoln wants to grow the metal products sector, we must have an adequate amount of industrially zoned land with infrastructure in place.
3. **Facilitate infrastructure financing** – Marc reported that local companies are willing to provide part of the funding needs to develop industrial sites.

A written report from this group will be available next week.

Health Care – Bill Johnston reported on his meetings with CEO's of Bryan/LGH, St. Elizabeth's, Madonna and MDS Harris. This sector of the Lincoln economy is experiencing significant growth and all indications are that this growth will continue. Key issues in supporting this industry are:

1. Workforce – shortages of health care workers, especially RN's, are limiting the growth of bed capacity.
2. Infrastructure – availability of adequate telecommunications infrastructure is a concern.

Bill reported on Madonna's close partnership with UNL through their new research institute. He also reported on the IT Council with representatives of all health care organizations. Their major focus is a centralized data system which would give Lincoln a huge advantage over other communities.

Insurance Industry - Sherrie Hanneman reported for this group, which has been identified as an "at risk" industry. She distributed a written report and noted that the three greatest areas of need are:

- Qualified, educated, diverse workers at a reasonable cost.
- Air service – this industry relies on air travel, needs better service in and out of Lincoln.
- Basic infrastructure – zoned land, sewer, roads, fiber.

This group arrived at 4 recommendations:

1. There is a need for more UNL partnerships, including an insurance certification program at the College of Business Administration.

2. A coordinated marketing effort to promote Lincoln as a center for insurance careers could be far more effective than the current approach of each company doing this on their own.
3. More effective use of internships.
4. Increased support for the Airport Authority's efforts to enhance Lincoln's air service.

Sherrie noted that the insurance industry is battling other careers, especially information technology, for talented math students. She also reported that the insurance industry views technology as more of an internal function – they will not be utilizing technology to sell products in the foreseeable future, but rather utilizing it to streamline and upgrade internal operations. She concluded by reporting that the insurance industry currently endows an Actuarial Science chair at the University but is concerned that UNL's program has dropped from the top 5 in the country to the top 10.

Software Technology – Rich Sinkovic reported for his group and distributed a draft report which is currently being reviewed and finalized. He identified a number of issues which are addressed in detail in his report:

1. Lincoln must promote our quality of life more.
2. Air travel is an issue and could be addressed by better transportation linkages between the Lincoln and Omaha airports.
3. Lincoln needs to begin planning for growth in advance of need.
4. Lincoln needs a competitive telecommunications environment with redundancy assured.
5. Lincoln needs more internships, more business education linkages as well as ongoing seminars and training.
6. Financial resources need to be available for growing companies.
7. There is a need for an ongoing Technology Council.
8. Lincoln's wage scale is an issue for new graduates – we are not as competitive as other cities.

The final strategy area, Quality of Life, will present their report in several months.

INFRASTRUCTURE AUDIT

Mark Bowen reported that the city's RFP for a community-wide infrastructure audit should be on the street soon. Proposals will be due in 30 days and once a firm is selected there will be a 100-day turn-around time for the audit.

TECHNOLOGY SURVEYS

Phil Ruhlman reported that he is working with Sherrie Hanneman to identify 200 companies in Lincoln to participate in this project. Gallup wants to interview two

from each company, the CEO and the CIO. Gallup's initial approach was to do a mail survey but they have decided to do a phone survey instead.

Gallup hopes to accomplish 3 things with the interviews:

1. Identify the right people to talk to.
2. Establish the size of the firm.
3. Identify what the firm uses today and what they will need in the future.

Phil noted that there are 122 smaller communities in the 60-mile radius encompassing Lincoln and Omaha with the potential for a 1.7 to 2 million-population base by 2050. He urged the group to think broadly in their planning.

COMMUNITY VITALITY SURVEY

Don Clifton briefed the group on the Gallup Community Vitality Survey which was conducted every other year since the mid 90's measuring "quality of life" factors in Lincoln and 17 other communities. Based on data collected in these surveys, Gallup has been able to compare Lincoln with other places and to identify and measure those things which factor highly in Lincoln's ratings. Don has organized these highly rated factors into the following:

Lincoln's Top 10 List

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|-----|-------------------------------|
| 10. | SAFE WATER |
| 9. | MENTAL HEALTH |
| 8. | RELATIONSHIPS |
| 7. | SAFETY |
| 6. | PRIDE IN COMMUNITY |
| 5. | CLEAN AIR |
| 4. | OPEN SPACE |
| 3. | GOOD SCHOOLS |
| 2. | STRONG WORK ETHIC |
| 1. | GREAT PLACE TO RAISE A FAMILY |

Don shared detailed data with the group on each of the above qualities and noted that in several categories (Pride in Community, Good Schools) Lincoln consistently rated higher than the other areas surveyed. He also noted that the only community over the course of the surveys to out-perform Lincoln "by a shade", was Madison, Wisconsin.

Don observed that Lincoln needs "a central clearing house for data", a place where all the data about Lincoln can be put together, analyzed and integrated. He believes it must be somewhere in the city where everyone feels comfortable going. Such a place would give us a way to spot trends, measure ourselves over a period of time and truly find the "soul" of our community. No other community has figured out a

way to do this. If Lincoln could, we would be a leader for other communities to emulate.

Don closed by encouraging the Technology Council to be mindful of the need for the right kind of legal environment as we go forward, especially professionals (including judges) who understand intellectual properties.

NEXT MEETING

The next meeting of the Technology Council Steering Committee will be Thursday, September 27 at 7:30 a.m. at the Lincoln Chamber of Commerce.